

Message Text

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43

ACTION EUR-25

INFO OCT-01 EA-11 NEA-10 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 EB-11 COME-00 TRSE-00

SCEM-02 INT-08 DRC-01 /179 W
----- 090472

R 101225Z NOV 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC 1771

INFO AMEMBASSY BEIRUT

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USCINCEUR

USMRN SHAPE

C O N F I D E N T I A L ROME 12397

E.O. 11652: GDS

TAGS: ENRG, IT

SUBJECT: CURRENT OIL SITUATION

REF: ROME 12306

1. RISTAGNO, SENIOR MIN INDUSTRY ENERGY OFFICIAL, IN NOV 9
CONVERSATION WITH US INDICATED COMPLETE DISARRAY WITHIN GOVT
CIRCLES AND HIS OWN DISMAY OVER INABILITY GOI TO TAKE DECISIONS
ON PETROLEUM PRODUCT RATIONING. ALTHOUGH GOVERNMENT AND MEDIA
OPENLY DEBATING SUCH PROSPECTS FOR PAST WEEK (REFTEL, AND A
A NUMBER OF ITALY'S COMMUNITY PARTNERS HAVE TAKEN OR ARE PREPARING
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SPECIFIC ACTIONS, GOI POLITICAL DECISION MAKERS REMAIN UNWILLING

AND UNABLE TO ASSUME RESPONSIBILITY FOR UNPOPULAR MEASURES. RISTAGNO POINTED WITH ADMIRATION TO CONSERVATION MEASURES TAKEN BY US AS EXPRESSED IN PRESIDENT'S ENERGY MESSAGE OF NOVEMBER 7 AND STEPS TAKEN BY OTHER EUROPEANS, SAYING THAT GOI UNFORTUNATELY INCAPABLE TO SUCH DECISIVENESS.

2. RISTAGNO NOTED THAT THERE NO LACK OF IDEAS AND PROPOSALS BEING THROWN ABOUT IN ITALY, BUT THAT MINISTERS CONTINUE TO SHUN ANY CONCRETE ACTION. THIS INDECISION GIVES RISE TO CONTRADICTIONARY PRESS REPORTS, SOME REASSURING, OTHERS ALARMIST, WHICH LEAVE PUBLIC BEWILDERED. RISTAGNO LEFT NO DOUBT THAT SUPPLY SHORTFALLS UNAVOIDABLE, REGARDLESS OF WHATEVER CONTRARY REPORTS THERE MAY BE IN PRESS, AND THAT THE QUESTION IS ONLY WHETHER REDUCTIONS IN CONSUMPTION WILL BE EFFECTED IN ORDERLY OR DISORDERLY WAY.

3. WHILE REGRETTING INCONVENIENCE TO POPULATION FROM HEATING OIL SHORTAGES THIS WINTER, RISTAGNO EXPRESSED GREATEST CONCERN FOR EFFECT OF ENERGY SHORTAGES UPON INDUSTRY -- IN PARTICULAR, FUEL OIL REQUIRED BY HEAVY INDUSTRY AND FOR GENERATION ELECTRIC POWER, AND NAPHTH WHICH SERVES AS BASIS OF PETROCHEMICAL INDUSTRY. IF SUCH PROSPECTS MATERIALIZE, CAUSING PRODUCTION CUTBACKS AND UNEMPLOYMENT, RISTAGNO FORESEES GRAVE DIFFICULTIES FOR THE GOVERNMENT. HE EMPHASIZED LACK OF FLEXIBILITY IN ITALIAN ENERGY SITUATION: NO PRODUCTION TO STIMULATE, NO COAL, AND LITTLE SHORT-TERM POSSIBILITY OF SWITCHING CONSUMERS TO NATURAL GAS, ALL OF WHICH ADD TO SHORTAGE OF ELECTRICAL GENERATING CAPACITY AND OVERLOADED POWER STATIONS.

4. COMMENTING ON THE OUTCOME OF THE NOV 6 EC COUNCIL OF MINISTERS MEETING, RISTAGNO TERMS IT A SERIOUS BLOW TO OBJECTIVE OF ECONOMIC UNION. HIS REMARKS ON CURRENT ATMOSPHERE IN COMMISSION ECHOED THE GIST OF EC BRUSSELS 6377 -- I. E., THAT COMMISSION LEFT IN STATE OF EXTREME DISILLUSIONMENT AND UTTER CONFUSION, WITH EACH MEMBER STATE FENDING FOR ITSELF.

5. SITUATION FOR THIS WINTER WELL SUMMED UP BY ESSO OFFICIAL:
BUY A SWEATER AND A BICYCLE.

6. DEPT PASS ME POSTS AS DESIRED. VOLPE
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NNN

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